

INFORMATION CONCERNING THE CITY OF KANSAS CITY, MISSOURI

GENERAL INFORMATION

Location, Size and Demographics

Kansas City, Missouri (the "City") is the largest City in Missouri and is the central city of a fifteen county Metropolitan Statistical Area (MSA) which includes Bates, Caldwell, Cass, Clay, Clinton, Lafayette, Ray, Jackson and Platte counties in the State of Missouri and Johnson, Franklin, Linn, Wyandotte, Miami and Leavenworth counties in the State of Kansas. The City is located in parts of Jackson, Clay, Platte and Cass counties on the western border of the State of Missouri, and is situated at the confluence of the Kansas and Missouri rivers on Interstate Highways I-29, I-35 and I-70.

Historically, the City has pursued a policy of annexation, and is today the 14th largest city in land area in the United States with a total area of approximately 319 square miles (excluding cities consolidated with counties). The Department of City Planning and Development of Kansas City, Missouri estimates that the City's 2012 population is 465,680 and the Kansas City MSA is 2,065,586. There is excellent quality and reasonably priced housing available in the City. The cost of an existing home in the City is approximately eighteen percent below the average for comparable homes in the United States as of second quarter in 2012.

Municipal Government and Services

The City was incorporated on June 3, 1850. The City is a constitutional home rule city and adopted its present Charter by popular vote on August 8, 2006, pursuant to Article VI, Section 19 of the Missouri Constitution.

The City has a Council-Manager form of government. There are 13 members of the Council, including the Mayor. All are elected for four-year terms, with the Mayor and six Council members elected at large and the other six Council members elected by the residents of their districts. The City Manager is appointed by the Council. The Council determines City policy and oversees City affairs. All resolutions and most ordinances can be passed by the affirmative vote of seven Council members. However, emergency measures for the immediate preservation of the public peace, property, health, safety or morals and ordinances to expel a council member, to amend the zoning law when under protest, or to borrow money require nine affirmative votes.

As of September 1, 2012, the City has approximately 6,490 employees including the Police Department. The police are not unionized. Certain Fire personnel are union-eligible; however, not all Fire Department employees are represented by a bargaining unit. Along with the Fire Chief and his Principal Assistant, the Fire Department has administrative, clerical, and Deputy Chiefs that are not represented by any bargaining unit. The Fire personnel are represented by the Local 42 IAFF (approximately 1,216 members) and the 3808 IAFF Union (approximately 30 members). Approximately 1,641 City employees in labor classifications are represented by the AFSCME Local 500. The current Local 500 Memorandum of Understanding (MOU) was adopted by the City Council and effective on September 14, 2008, retroactive to May 1, 2008 and was scheduled to expire on April 30, 2011. However, the aforementioned MOU with Local 500, was amended and the terms of the agreement have been extended. The MOU is now set to expire on October 31, 2012.

The City's tax structure is diverse and includes the Earnings and Profits Tax, Sales and Use Tax, Convention and Tourism Tax, General Property Tax, Gaming Tax, Motor Fuel Tax, Utility Tax which includes Land-line and Wireless Telephone, Natural Gas, Steam, Cable Television and Electric Taxes, Cigarette and Occupational License Tax.

For the purpose of providing funds for the acquisition, development, construction, operation, and maintenance of a Downtown Arena and appurtenant facilities including costs of land, infrastructure, design, engineering, finance and furnishing and equipping said facilities, qualified voters of the City approved at a general election on August 3, 2004, the modification of the license fees on rental car agencies and on hotels, motels and tourist courts referred to as the Arena Fee.

The City provides all basic municipal services, including police and fire protection, emergency medical treatment, water and sewage treatment, street construction and maintenance, traffic regulation and control, refuse collection, street lighting, public health protection, animal health and safety, property maintenance and public nuisance code enforcement, planning and maintenance of City parks and boulevards, street tree maintenance, municipal golf courses, public swimming pools and tennis courts, community center operations, management of two municipal airports, administration of zoning and building code regulations, parking garage operations, and operation of the City's convention facilities. The Police Department, although financed primarily by General Funds of the City, is a separate governmental entity governed by a Board of Police Commissioners appointed by the Governor of the State of Missouri. School districts, which serve the City, are also separate governmental entities. Truman Medical Center receives funding from a dedicated ad valorem property tax but is governed by a separate board.

SELECTED DEMOGRAPHIC STATISTICS

Kansas City, Missouri			Metropolitan Statistical Area⁽³⁾		
Year	Population⁽¹⁾	Per Capita⁽⁴⁾ Personal Income	Year	Population⁽¹⁾	Per Capita⁽⁴⁾ Personal Income
2003	447,018	20,026	2003	1,896,098	24,907
2004	448,842	22,405	2004	1,915,989	24,914
2005	450,666	24,567	2005	1,935,880	26,251
2006	452,490	24,180	2006	1,955,770	26,848
2007	454,314	24,299	2007	1,975,661	27,650
2008	456,139	27,298	2008	1,995,552	29,084
2009	457,963	25,189	2009	2,015,443	27,922
2010	459,787 ⁽²⁾	24,756	2010	2,035,334 ⁽²⁾	27,377
2011	463,202 ⁽⁵⁾	25,078 ⁽⁶⁾	2011	2,052,676 ⁽⁵⁾	27,700 ⁽⁶⁾
2012	465,680 ⁽⁷⁾	25,423 ⁽⁶⁾	2012	2,065,586 ⁽⁷⁾	28,049 ⁽⁶⁾

- (1) The Calendar Year 2003-2009 population estimates were provided by the City Planning and Development Department using interpolation between the censuses.
- (2) The 2010 Calendar Year population numbers are from the 2010 Census.
- (3) The Federal Office of Management and Budget changed Kansas City, Missouri’s Metropolitan Statistical Area (MSA) from eleven (11) to fifteen (15) counties in 2003. All fifteen (15) counties are included in the MSA population numbers.
- (4) Fiscal Year 2003-2010 American Community Survey.
- (5) Census Bureau's 2011 Population Estimates Program.
- (6) For 2011 and 2012 the estimates are based upon averaging two figures: (1) the 2010 American Community Survey adjusted for CPI change from 2010 to 2011 and (2) City Planning and Development Department extrapolation of the change from 2009 to 2010.
- (7) The Calendar Year 2012 estimates were provided by the City Planning and Development Department using extrapolation of the change from 2010 to 2011.

Sources: U.S Census Bureau; City Planning and Development Department; Consumer Price Index and Census Bureau’s Annual America Community Survey and their Population Estimates Program.

COMPARISON OF METROPOLITAN AREAS

	<u>ACCRA Cost of Living Index 2012 2nd Quarter</u> ⁽¹⁾	<u>Median Price, Existing Homes 2012 2nd Quarter</u> ⁽²⁾	<u>Per Capita Retail Sales (2012)</u> ⁽³⁾
Kansas City	99.5	\$148,400	\$14,261
U.S.	100.0	181,500	13,043
Atlanta	97.8	103,200	14,471
Chicago	115.6	187,700	13,432
Columbus	89.8	142,100	15,058
Dallas	98.0	163,000	14,030
Denver	104.6	260,700	15,203
Los Angeles	132.7	296,800	12,552
Memphis	85.2	123,500	12,516
Minneapolis	109.4	174,500	15,357
New York	226.0	377,600	12,269
Norfolk ⁽⁴⁾	102.6	195,000	11,934
Phoenix	96.8	148,400	13,550
Sacramento ⁽⁴⁾	119.7	170,200	13,242
Saint Louis	91.4	134,700	13,565
San Francisco	164.2	552,600	14,806

Sources:

All information in the above table was obtained from the Kansas City Area Development Council (KCADC).

For comparability to other City MSA's, Kansas City information is based on fifteen (15) county areas for the "Per Capita Retail Sales" and "Median Home Price." Reference is further made by KCADC to the following sources:

- (1) The Council for Community and Economic Research, ACCRA.
- (2) National Association of Realtors.
- (3) Woods & Poole Economics.
- (4) Prior year comparisons included Charlotte and Salt Lake City.

THE KANSAS CITY ECONOMY

The City is a regional center for transportation, telecommunications, manufacturing, health care, trade, financial services, and government. Major companies headquartered in metropolitan Kansas City, Missouri include Sprint Nextel Corporation, HCA-Midwest Health Systems and St. Luke's Health System. Other major employers include the Public School Systems, State/County/City Government, Federal Government, The University of Kansas Hospital, Children's Mercy Hospitals and Clinics and Cerner Corporation.

The City's economy provides for a consistent and well distributed earnings and employment environment for its business sectors.

The City's proximity and ready access to geographical and population centers throughout the nation make the area an attractive location for industrial product distribution and trade. The City's central location is advantageous for commuting to all parts of the United States and has enhanced its development and posture as a major transportation center with a complete range of transportation facilities, including a major highway network, eleven railroad trunk lines, and the Kansas City International Airport (KCI). KCI handled 10.3 million passengers in fiscal year 2012. As of April 30, 2012, there were 10 passenger marketing airlines and 21 passenger operating carriers serving 49 cities with nonstop service. From May 2012 through July 2012, KCI handled 2.7 million passengers. As of July 31, 2012, there were 10 passenger marketing airlines and 21 passenger operating carriers serving 49 cities with nonstop service. Flight times from KCI are about three hours to either coastline.

MAJOR KANSAS CITY METROPOLITAN STATISTICAL AREA EMPLOYERS

Employer	Type of Business	Number of Employees **
Federal Government	Government	27,600
State/County/City Government ⁽¹⁾	Government	26,326
Public School System ⁽²⁾	Education	26,250
HCA Midwest Health Systems	Health Care Provider	8,632
Sprint Nextel Corp.	Wireless Telecommunication	7,000
Saint Luke's Health System	Health Care Provider	6,891
Cerner Corp	Health Care Information Technology	6,615
Children's Mercy Hospitals & Clinic	Health Care Provider	5,151
DST Systems ⁽³⁾	Information Processing & Software Products	5,000
The University of Kansas Hospital	Health Care & Research Hospital	4,721
Truman Medical Centers	Health Care Provider	4,258
General Motors Fairfax Assembly Plant	Automotive Assembly	4,100
Ford Motor Company	Automotive Assembly	4,000
Hallmark Cards, Inc.	Greeting Cards, Expression Products	3,700
	Television Programming	
Black & Veatch	Global Engineering Consulting and	3,600
UPS	Package Delivery & Transportation Logistics	3,500
Farmers Insurance	Insurance	3,200
Home Depot	Home Improvement Retailer	3,153

(1) The number of local employees for the State/County/City Government is made up of eight (8) employers.

(2) The number of local employees for the public school systems is made up of eleven (11) public school systems and school districts.

(3) DST Systems Inc. did not participate in the survey. Employment count is from August 2011 Kansas City Business Journal reports.

(4) The information presented in this table speaks only as of the date indicated in the source.

Source: Top Public-Sector Employers, Kansas City Business Journal, April 6, 2012 and Top 100 Area Private Sector Employers, Kansas City Business Journal, April 13, 2012.

EMPLOYMENT INFORMATION

The following table shows the annual average non-agricultural employment for the metropolitan area for 2007 to 2011.

ANNUAL AVERAGE NON-AGRICULTURAL EMPLOYMENT METROPOLITAN AREA ⁽¹⁾

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Manufacturing	82,400	80,900	73,700	73,100	73,900
Trade, Transport & Utilities	207,900	205,900	196,700	194,700	196,600
Information	42,500	41,600	37,400	31,300	28,400
Finance	74,200	72,900	71,000	71,400	71,500
Professional & Business Services	147,900	149,200	141,500	144,600	150,800
Educational & Health Services	118,600	123,900	127,100	129,700	132,700
Leisure & Hospitality	95,300	96,500	93,400	92,800	95,200
Government	150,500	152,800	154,100	152,200	150,700
Mining, Logging & Construction ⁽²⁾	53,000	50,300	43,200	38,700	37,200
Other Services	41,100	44,800	44,400	44,000	44,300
Total Non-farm	1,013,400	1,018,800	982,500	972,500	981,300

(1) Historical data have been revised.

(2) The name was changed from Natural Resources and Construction to Mining, Logging and Construction by the Federal Bureau of Labor and Statistics.

Sources: Missouri Department of Economic Development, Missouri Economic Research & Information Center in Cooperation with U.S. Department of Labor, Bureau of Labor Statistics. These figures were based upon the North American Industry Classification System (NAICS).

The following table depicts average annual unemployment rates for the last ten calendar years.

AVERAGE ANNUAL UNEMPLOYMENT RATES

Year	Kansas City	MSA	United States
2003	7.2	6.0	6.0
2004	7.7	6.1	5.5
2005	7.1	5.7	5.1
2006	6.4	5.0	4.6
2007	6.4 ⁽¹⁾	5.0 ⁽¹⁾	4.6
2008	7.4 ⁽¹⁾	5.7 ⁽¹⁾	5.8
2009	10.0 ⁽¹⁾	8.9 ⁽¹⁾	9.3
2010	10.3 ⁽²⁾	8.9 ⁽²⁾	9.6
2011	9.2 ⁽²⁾	8.1 ⁽²⁾	8.9
2012	7.9 ⁽³⁾	7.2 ⁽³⁾	8.3 ⁽³⁾

(1) Reflects controlling to new statewide totals.

(2) Reflects revised inputs, re-estimation, and controlling to new statewide totals.

(3) January – August 2012 Average (Preliminary)

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table shows the valuation of building construction for the last ten fiscal years:

Property Valuation
BUILDING CONSTRUCTION VALUATION
(Amounts Expressed in Thousands)

Fiscal Year	Commercial Valuation	Residential Valuation	Total
2003	426,447	397,062	823,509
2004	372,238	394,758	766,996
2005	600,068	471,313	1,071,381
2006	1,095,063	417,816	1,512,879
2007	749,898	345,252	1,095,150
2008	900,097	354,808	1,254,905
2009	710,284	240,803	951,087
2010	398,961	158,783	557,744
2011	467,065	125,639	592,704
2012	582,122	160,203	742,325

Sources: Business Services Division, City Planning and Development Department, City of Kansas City, Missouri.

The following table shows the locally assessed value of both real and personal taxable property for the last ten fiscal years:

ASSESSED VALUE OF TAXABLE PROPERTY
(Amounts Expressed in Thousands)

Fiscal Year	Real Property⁽¹⁾	Personal Property	Total Taxable Assessed Value
2003	\$3,787,607	\$ 1,526,968	\$ 5,314,576
2004	4,106,429	1,425,531	5,531,961
2005	4,383,862	1,428,914	5,812,777
2006	4,903,714	1,432,570	6,336,284
2007	5,051,611	1,438,517	6,490,128
2008	5,535,951	1,555,199	7,091,150
2009	5,600,250	1,578,677	7,178,927
2010	5,372,466	1,507,749	6,880,215
2011	5,412,663	1,464,297	6,876,960
2012	5,326,143	1,488,480	6,814,623

(1) The prior year aggregated real property assessed valuations have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Sources: Original data obtained from aggregate assessed valuation reports provided by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

BUDGETING, ACCOUNTING AND AUDITING PROCEDURES

Budget Process

The City Charter requires that the City Council adopt an annual budget for the City's May 1 through April 30 fiscal year. In fulfilling this requirement, the City's year-round budget and planning process consists of four phases:

Budget Development. The Finance Department issues budget instructions to city departments, boards, and commissions to be used in estimating revenues and requesting the appropriations necessary to fulfill their needs in the next fiscal year. Departments prepare their budget requests based on estimates of work to be performed and their cost. The amounts requested must be justified in terms of the results to be achieved. The City Charter requires that departments submit their requests to the City Manager on or before the 15th day of November. During this phase, the City Council also convenes budget priority sessions to provide staff with information on City Council funding priorities.

Budget Review. The Finance Department performs technical and policy reviews of departmental budget requests and forwards recommendations to the City Manager. The Director of Finance and the City Manager confer with departmental staff to formulate a balanced budget. This draft budget is provided to the Mayor no later than January 15th for review and comment.

Budget Consideration and Adoption. The Mayor transmits to the City Council not later than the second regular meeting in February the annual budget prepared by the City Manager with any comments of the Mayor. The City Council conducts a review of the budget, including hearings with the City Manager and department officers. Upon completion of its review of the budget the City Council holds at least one public hearing and, in any case not later than the first regular meeting in March, places on file in the office of the City Clerk the annual budget ordinance and holds hearings with the public. At the fourth regular meeting in March, the City Council shall adopt the annual budget ordinance with or without alteration or amendment.

Administration of the Budget. After the budget has been adopted by the City Council, the approved appropriations and revenues are entered into the City's financial accounting system. The City Controller reports to the City Council, upon the close of books for each month of the fiscal year, the status of the budget. The Finance Department performs a quarterly analysis of revenues and appropriations, makes new estimates of such, and recommends necessary budget adjustments to ensure the City's budget remains in balance. Strict budgetary compliance is maintained through the checks and balances of administrative regulations, Finance Department Manuals of Instruction, and an automated accounting system. Department budgets can be increased or decreased only by passage of an ordinance by the City Council.

Accounting Procedures and Annual Audit

Under the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 34) – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, a dual reporting perspective is required for financial statement presentation. This dual perspective includes both a fund basis perspective and an entity wide perspective. Fiscal year 2002-03 was the first year of implementation of GASB 34 for the City.

Under the fund basis perspective, the City reports on a modified accrual basis of accounting for the various Governmental fund types and the accrual basis of accounting is utilized by the Proprietary and Fiduciary fund types. Under the entity wide perspective, the accrual basis of accounting is utilized.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and that financial statements present fairly the results of operations of the various funds of the City. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The Charter requires an annual audit of the City's financial statements by an independent certified public accountant. In addition to meeting the requirements set forth in the Charter, the City has obtained an audit in accordance with the provisions of the Office of Management and Budget Circular A-133.

INFORMATION ON GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Five Fiscal years
(in thousands)

	2008	2009	2010	2011	2012
Revenues:					
Taxes	\$ 576,444	561,936	527,477	534,656	543,326
Licenses, permits, and franchises	154,948	139,922	141,352	149,488	137,754
Fines and forfeitures	17,091	16,701	18,307	17,027	15,809
Rents and concessions	15,852	14,824	12,751	14,949	19,230
Charges for services	46,385	76,063	67,809	84,497	80,377
Special assessments	7,094	7,666	7,513	7,000	7,231
Intergovernmental	103,517	138,631	132,043	110,460	105,080
Investment earnings	37,493	21,338	8,299	6,711	(2,085)
Contributions	42,164	16,664	10,277	26,206	27,313
Lease rentals	—	—	—	—	—
Other revenues	9,184	12,879	17,240	17,396	21,508
Total revenues	<u>1,010,172</u>	<u>1,006,624</u>	<u>943,068</u>	<u>968,390</u>	<u>955,543</u>
Expenditures:					
General government	117,593	122,471	110,901	97,544	114,800
Fire	94,735	97,432	97,486	124,810	128,851
Public works	57,309	65,312	62,494	73,216	85,871
Codes administration	—	—	—	—	—
Neighborhood development	33,497	58,048	72,068	66,970	65,070
Health	66,386	65,224	65,227	51,431	52,778
Culture and recreation	42,385	40,259	35,763	37,191	38,582
Convention facilities	21,263	14,338	16,429	26,642	30,478
Pollution control	—	—	—	—	—
Nondepartmental	84,653	78,078	61,401	20,816	2,486
Police	182,998	197,290	186,186	186,431	192,747
Intergovernmental	47,893	48,233	42,441	42,450	44,746
Capital Improvement Expenditures	334,251	212,248	192,834	225,682	221,417
Debt service:					
Principal retirement	59,501	49,386	68,083	72,084	72,544
Interest	64,449	74,608	65,141	59,686	62,522
Fiscal agent fees	2,502	2,285	6,722	5,026	2,249
Bond issuance costs	3,160	3,269	1,623	421	3,640
Swap settlement payment	—	—	—	—	5,306
Total expenditures	<u>1,212,575</u>	<u>1,128,481</u>	<u>1,084,799</u>	<u>1,090,400</u>	<u>1,124,087</u>
Excess of revenues over (under) expenditures	<u>(202,403)</u>	<u>(121,857)</u>	<u>(141,731)</u>	<u>(122,010)</u>	<u>(168,544)</u>
Other financing sources (uses):					
Issuance of debt	101,107	39,110	141,721	66,347	191,873
Issuance of refunding debt	121,225	503,900	35,845	6,470	285,639
Premium/discount on bond issue	4,514	(5,691)	1,496	3,487	10,512
Payment to refund bond escrow agent	(121,225)	(513,359)	(39,792)	(7,155)	(304,776)
Premium/discount on refunding bond issue	—	—	—	—	19,359
Proceeds of capital leases	—	—	—	—	—
Transfers in	159,105	195,194	167,711	142,761	160,387
Transfers out	(160,069)	(195,194)	(167,711)	(142,761)	(160,387)
Intergovernmental transfers	—	(33,183)	—	—	—
Total other financing sources (uses)	<u>104,657</u>	<u>(9,223)</u>	<u>139,270</u>	<u>69,149</u>	<u>202,607</u>
Restatement of beginning fund balance	—	—	—	—	—
Net change in fund balance	<u>\$ (97,746)</u>	<u>(131,080)</u>	<u>(2,461)</u>	<u>(52,861)</u>	<u>34,063</u>
Debt service expenditures (principal and interest only)	\$ 123,950	123,994	133,224	131,770	135,066
Capital Improvement Expenditures	334,251	212,248	192,834	225,682	221,417
Net operating expenditures	878,324	916,233	891,965	864,718	902,670
Debt Service as a percentage of net operating expenditures	14.1%	13.5%	14.9%	15.2%	15.0%

Source: Comprehensive Annual Report Fiscal Year 2012

Sources of revenue for the City’s governmental funds are widely diversified as shown in the following table:

GOVERNMENTAL FUND REVENUES
(Amount Expressed in Thousands)

Revenues:	<u>2011</u>	<u>2012</u>	Increase or (Decrease)	Percentage Increase or (Decrease)
Taxes	534,656	543,326	8,670	1.62%
Licenses, Permits, and franchises	149,488	137,754	(11,734)	(7.85%)
Fines and foreitures	17,027	15,809	(1,218)	(7.15%)
Rents and concessions	14,949	19,230	4,281	28.64%
Charges for services	84,497	80,377	(4,120)	(4.88%)
Special assessments	7,000	7,231	231	3.30%
Intergovernmental	110,460	105,080	(5,380)	(4.87%)
Investment earnings	6,711	(2,085)	(8,796)	(131.07%)
Contributions	26,206	27,313	1,107	4.22%
Other revenues	<u>17,396</u>	<u>21,508</u>	<u>4,112</u>	<u>23.64%</u>
	968,390	955,543	(12,847)	(1.33%)

Revenues for the City's governmental funds during fiscal year 2012 totaled \$956 million, a decrease of (1.33%) over fiscal year 2011.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

The City’s governmental funds are used to account for expenditures of traditional government services as shown in following table:

GOVERNMENTAL FUND EXPENDITURES
(Amount Expressed in Thousands)

	<u>2011</u>	<u>2012</u>	<u>Increase or (Decrease)</u>	<u>Percentage Increase or (Decrease)</u>
Expenditures:				
General government	97,544	114,800	17,256	17.69%
Fire	124,810	128,851	4,041	3.24%
Public works	73,216	85,871	12,655	17.28%
Codes administration	—	—	—	—
Neighborhood development	66,970	65,070	(1,900)	(2.84%)
Health	51,431	52,778	1,347	2.62%
Culture and recreation	37,191	38,582	1,391	3.74%
Convention facilities	26,642	30,478	3,836	14.40%
Pollution control	—	—	—	—
Nondepartmental	20,816	2,486	(18,330)	(88.06%)
Police	186,431	192,747	6,316	3.39%
Intergovernmental	42,450	44,746	2,296	5.41%
Capital Improvement Expenditures	225,682	221,417	(4,265)	(1.89%)
Debt service:			—	—
Principal retirement	72,084	72,544	460	0.64%
Interest	59,686	62,522	2,836	4.75%
Fiscal Agent Fees	5,026	2,249	(2,777)	(55.25%)
Bond issuance costs	421	3,640	3,219	764.61%
Swap Settlement Payment	—	5,306	5,306	100.00%
Total Expenditures	<u>1,090,400</u>	<u>1,124,087</u>	<u>33,687</u>	<u>3.09%</u>

Expenditures for the City's governmental funds during fiscal year 2012 totaled \$1.1 billion, an increase of 3.09 % over fiscal year 2011.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

The fund balances of the General Fund and other selected operating funds for the last five years are shown in the following table:

FUND BALANCES					
Governmental Funds					
Budget Basis ⁽¹⁾					
(Amount Expressed in Thousands)					
	2008	2009	2010	2011	2012
General Fund	\$27,533 ⁽²⁾	\$34,717 ⁽³⁾	\$36,554 ⁽⁴⁾	\$39,832 ⁽⁶⁾	41,205 ⁽⁷⁾
General Fund Expenditures & Transfers Out (actual)	\$465,988	\$474,108	\$478,406	\$468,185	453,686
Fund Balance as a Percent Of Expenditures & Transfers	5.91%	7.32%	7.64%	8.51%	9.08%
Other Operating Funds					
Park Funds ⁽⁵⁾	\$18,186	\$18,616	\$18,444	17,325	15,011
Motor Fuel Tax	(1,941)	(242)	792	0	0
Public Mass Transit	3,606	3,211	1,833	2,708	5,015
Convention and Tourism	14,180	9,791	2,530	5,927	6,930
Capital Improvements	136,306	124,915	91,648	72,789	72,826
Other	94,932	82,366	76,164	47,352	22,775
General Debt & Interest	8,880	4,813	1,331	996	1,000
Total General & Other Selected Operating Funds	\$301,682	\$278,187	\$229,296	\$186,929	164,762

- (1) The City budgets on a cash basis.
- (2) The General Fund Balance was adjusted to \$26.2 million on May 1, 2008 or 5.62% of General Fund Expenditures and Transfers. This was the result of an ending Fund Balance of \$27.6 million less \$1.4 million of re-appropriations for Police Department encumbrances.
- (3) The General Fund Balance was adjusted to \$33.2 million on May 1, 2009 or 7.0% of General Fund Expenditures and Transfers out. This was the result of an ending Fund Balance of \$34.7 million less \$5.0 million of re-appropriations of unspent appropriations plus \$3.5 million of re-estimation of uncollected revenues.
- (4) The General Fund balance was adjusted to \$34.2 million on May 1, 2010 or 7.15% of General Fund expenditures and transfers out. This was the result of an ending funding balance of \$36.6 million less \$6.6 million of re-appropriations of unspent appropriations plus \$4.2 million of re-estimation of uncollected revenue.
- (5) Several Parks Funds, which were classified under "Other" in previous reports, were moved from the "Other" category to the "Parks Funds" category.
- (6) The general fund balance was adjusted to \$35.4 million on May 1, 2011 or 7.6% of General Fund expenditures and transfers out. This was the result of an ending balance of \$39.8 million less \$4.4 million of re-appropriations of unspent appropriations.
- (7) The general fund balance was adjusted to \$39.1 million on May 1, 2012 or 8.6% of General Fund expenditures and transfers out. This was the result of an ending balance of \$41.2 million less \$7.7 million of re-appropriations of unspent appropriations plus 5.6 million of re-estimation of uncollected revenue.

Source: Combining Individual Funds Statements and Schedules of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

PROPERTY TAX VALUATIONS AND REVENUES

Assessment Procedure

All taxable real and personal property within the City is assessed annually by the County Assessors. Missouri Law requires that property be assessed at the following percentages of true value:

Personal property.....	33-1/3%
Residential real property	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial railroad and all other real property.....	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986 requiring biennial reassessment of real property. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with the biennial assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Every person owning or holding real property or tangible personal property on January 1 of any calendar year shall be liable for taxes. Certain properties, such as those used for charitable, educational and religious purposes are excluded from both the real estate ad valorem tax and personal property tax.

History of Property Valuations

The following table shows the total assessed valuation, by category, of all taxable, tangible property located in the City according to the assessment on January 1, 2011 (fiscal year 2012):

Real Property	\$5,326,143,311
Individual and Business Personal Property	1,378,541,734
Railroad and Utility Property-Personal	<u>109,937,897</u>
TOTAL	\$6,814,622,942

The total assessed valuation and estimated true valuation of all taxable, tangible property located in the City, according to the assessments on January 1 for the last ten years are shown in the following table:

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
(Amount Expressed in Thousands)

Fiscal Year	Real Property⁽¹⁾	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2003	\$ 3,787,607	\$ 1,526,968	\$ 5,314,575	1.34	\$ 21,411,468	24.82%
2004	4,106,429	1,425,531	5,531,960	1.32	22,867,108	24.19%
2005	4,383,862	1,428,914	5,812,776	1.32	23,885,490	24.34%
2006	4,903,714	1,432,570	6,336,284	1.51	26,546,653	23.87%
2007	5,051,611	1,438,517	6,490,128	1.51	27,290,484	23.78%
2008	5,535,951	1,555,199	7,091,150	1.46	29,826,561	23.77%
2009	5,600,250	1,578,677	7,178,927	1.47	30,299,672	23.69%
2010	5,372,466	1,507,749	6,880,215	1.47	29,018,324	23.71%
2011	5,412,663	1,464,297	6,876,960	1.53	29,093,406	23.64%
2012	5,326,143	1,488,480	6,814,623	1.55	28,840,027	23.63%

(1) The prior year aggregated assessed valuations have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Source: Original data was obtained from aggregate assessed valuation reports certified by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

Property Tax Levies and Collections

Tax Collection Procedure. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's general obligation debt for the ensuing budget year.

City real estate taxes, other than for railroads and utilities, for property located in Clay County are collected by the City Treasurer. City real estate taxes for property located in Cass, Platte, and Jackson Counties are collected by the County Collector of Revenues in those Counties, who disburse such revenue to the City Treasurer. Property tax revenue collected by the City is due and payable on the first day of November and delinquent after December 31 of the year in which levied. Interest at the rate of one percent per month attaches on November 1 and each month, or part thereof, thereafter to the date of payment. Other real estate taxes as noted above and personal property taxes are due and payable to the Counties and State on November 1 and become delinquent after December 31 of the year in which they are levied.

Tax Rates. The following table shows the City's tax levies over the past ten years:

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rates					Overlapping Rates		
	General	Health	Debt & Interest	Museum	Total Direct Tax Rate ⁽¹⁾	Jackson County	Clay County	Platte County
2003	0.6800	0.5000	0.1400	0.0200	1.3400	7.8330	7.1000	6.8120
2004	0.6692	0.4872	0.1400	0.0195	1.3159	7.7879	7.1549	6.6489
2005	0.6713	0.4887	0.1400	0.0196	1.3196	7.7499	7.2684	6.9608
2006	0.6519	0.6946	0.1400	0.0190	1.5055	7.9089	8.0109	7.1046
2007	0.6519	0.6946	0.1400	0.0190	1.5055	7.9101	8.0144	7.0947
2008	0.6320	0.6728	0.1400	0.0184	1.4632	7.8368	8.2323	6.8183
2009	0.6342	0.6751	0.1400	0.0185	1.4678	7.8748	8.2383	6.8198
2010	0.6342	0.6751	0.1400	0.0185	1.4678	7.9131	8.2496	6.8723
2011	0.6663	0.7046	0.1400	0.0185	1.5294	7.9818	8.3175	7.3449
2012	0.6786	0.7135	0.1400	0.0188	1.5509	8.0288	8.3410	7.3585

(1) In addition to this total, there are special levies on assessed value of land exclusive of improvements of \$0.50 per \$100 for park maintenance and \$0.25 per \$100 for trafficway maintenance and a boulevard tax of \$1.00 per front foot.

Sources: Treasury Division, Finance Department, City of Kansas City, Missouri.

The tax rate for municipal operating purposes cannot exceed \$1.00 per \$100 assessed valuation; in fiscal year 2012, the City levied 67.86 cents of this limit. The City levies an annual tax for the purpose of operating hospitals and public health facilities. In 2012, the City levied 49.35 cents per \$100 assessed valuation, plus an additional 22.00 cents per \$100 assessed valuation for a temporary nine (9) year health levy approved by the voters on April 5, 2005. For museum purposes in fiscal year 2012, the City levied 1.88 cents of the statutory maximum 10 cents per \$100 assessed valuation. There is no legal limitation on the tax rate for the payment of principal and interest on municipal bonded debt. In fiscal year 2012, the City levied 14 cents per \$100 assessed valuation.

A Missouri constitutional amendment limiting taxation and government spending, limits the rate of growth of the total amount of taxes which may be imposed in any fiscal year. The limit may not be exceeded without a majority vote. Provisions are included in the amendment for rolling back levy rates to produce an amount of revenue equal to that of the previous year. The assessed valuations of new construction, new personal property, and newly annexed areas are exempt from this limitation.

Tax Collection Record. The following table sets forth tax collection information for the last ten fiscal years:

PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage
2003	68,582,089	66,698,809	97.25%	1,883,280	68,582,089	100.00%
2004	75,028,496	70,048,781	93.36%	4,979,715	75,028,496	100.00%
2005	78,012,030	70,686,027	90.61%	4,332,147	75,018,174	96.16%
2006	95,723,211	89,701,140	93.71%	5,792,940	95,494,080	99.76%
2007	96,838,391	92,173,452	95.18%	4,664,938	96,838,390	100.00%
2008	105,763,238	99,263,296	93.85%	5,618,718	104,882,014	99.17%
2009	105,546,449	97,077,970	91.98%	8,072,406	105,150,376	99.62%
2010	99,987,436	95,397,312	95.41%	4,550,080	99,947,392	99.96%
2011	105,234,537	96,394,935	91.60%	4,249,329	100,644,264	95.64%
2012	105,208,148	99,284,461	94.37%	(see footnote 2)	99,284,461	94.37%

- (1) The prior year taxes collected have been restated to present the amounts net of tax increment financing arrangements (TIF) activities. The amounts have also been adjusted to include collection activities associated with railroad taxes.
- (2) Previous years' numbers under "Collections in Subsequent Years" column were changed. Previous tables disclosed prior year collections in the year collected. For example, collections made for 2008 taxes were reflected as 2009 collections in the "Collection in Subsequent Years" column. Collections made in Fiscal Year 2013 will be reflected in next year's Fiscal Year 2012 numbers.

Sources: The Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

Principal taxpayers for fiscal year 2012 are shown in the following table:

**CITY OF KANSAS CITY, MISSOURI
TOP TEN COMPANIES FOR WITHHOLDING EARNINGS TAX AND PROFITS TAX
CURRENT YEAR AND TEN YEARS AGO BY INDUSTRY CLASSIFICATION⁽¹⁾**

(In thousands)

	Fiscal year 2012		Fiscal year 2003
Government	\$ 4,541	Retail	\$ 2,604
Business Services	3,448	Information Processing	1,980
Healthcare	3,378	Financial Services	1,945
Engineering	2,431	Financial Services	1,705
Commercial Printing	2,405	Manufacturing	1,703
Government	2,133	Government	1,581
Government	1,962	Education	1,562
Financial Services	1,899	Healthcare	1,405
Data Processing Services	1,888	Transportation	1,242
Engineering	1,819	Education	1,223
Total top ten companies by industry classification	\$ 25,904		\$ 16,950
Total withholding tax	\$ 157,859		\$ 130,830
Percentage of top ten companies to total withholding tax	16.41%		12.96%

Taxpayer confidentiality prevents the disclosure of amounts by company name.

(1) This table replaces the "City of Kansas City, Missouri Top Ten Taxpayers."

Sources: Division of Accounts, Revenue Division and Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012.

CASH MANAGEMENT, RISK MANAGEMENT, AND PENSION PLANS

Cash Management

The goal of the City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City maintains pooled and restricted investments in accordance with state law, the City Charter, the Code of Ordinances and the City's Investment Policy.

The investment portfolio, at book value, excluding pensions and trusts, totaled \$974,358,349 on April 30, 2012, and was distributed in the following instruments:

Collateralized Money Market Account	\$	25,009,075
Collateralized Certificates of Deposit		2,000,000
State and Local Government Obligations		2,091,991
U.S. Treasury Obligations		156,883,132
U.S. Agencies		<u>788,374,151</u>
		\$974,358,349

The weighted average yield on these investments as of April 30, 2012 was 1.16 percent. Total earnings from investments were \$11,405,762, a 26.98 percent decrease from the prior Fiscal Year 2011.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

Risk Management (Property and Liability Coverage)

The City maintains all risk property insurance for property damage claims related to City buildings and contents, including Aviation Department property. The City also provides insurance for employee fraud, public official and notary bonding, a tenant and user policy for special events, excess general liability insurance, and excess workers' compensation claims.

The City purchases commercial insurance for buildings, together with their contents. The City pays an annual premium and assumes a \$150,000 deductible. The policy is renewable annually.

The City purchases insurance for buildings and their contents with a limit of \$750,000,000 and \$175,000,000 on boilers and machinery.

The City is afforded governmental tort immunity pursuant to Section 537.600, RSMo. However, this state statute specifically waives the City's immunity for damages resulting from its negligence arising out of the operation of a motor vehicle and damages caused by the dangerous condition of its property. The City's liability for these damages cannot exceed the maximum amounts established in Section 537.610, RSMo, which are \$392,735 per person and \$2,618,230 per occurrence.

Therefore, the City has adopted a risk management program with regard to third party claims for damage and loss. This program would apply to any third party claims for damage or loss based on the negligence of the City or of its employees, officers and agents. The City has a retained risk fund to satisfy claims. Any third party loss exceeding the fund assets would be paid by appropriation passed by the City Council.

Employee Retirement and Pension Plans

The City has two contributory defined benefit pension plans, the Employees' Retirement System and the Firefighters' Pension System (the "Plans"), covering substantially all employees. Contributions to the Plans are made by the City and covered employees. The contributions are calculated to fund normal cost and amortization of unfunded prior service costs. The City receives annual actuarial reports on the present value of accumulated plan benefits and net assets available for benefits.

Historical trend information for the pension systems is as follows (in millions of dollars):

EMPLOYEES' S RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll
5/1/2003	624.9	707.5	82.6	88.32%	130.0	63.54%
5/1/2004	627.1	740.2	113.1	84.72%	137.2	82.44%
5/1/2005	645.6	781.9	136.3	82.57%	141.6	96.25%
5/1/2006	745.7	800.8	55.1	93.12%	146.4	37.66%
5/1/2007	823.0	847.4	24.4	97.12%	158.8	15.35%
5/1/2008	873.7	934.3	60.7	93.51%	169.9	35.71%
5/1/2009	704.1	966.8	262.7	72.83%	160.2	163.99%
5/1/2010	749.6	994.8	245.2	75.35%	153.9	159.28%
5/1/2011	806.8	1011.0	204.2	79.80%	163.1	125.19%
5/1/2012	847.1	1070.8	223.7	79.11%	161.1	138.81%

EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended April 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2003	14.0	9.3	66.34%
2004	20.0	12.1	60.44%
2005	23.4	14.8	63.34%
2006	25.8	17.6	68.13%
2007	17.7	18.5	104.78%
2008	15.6	20.0	128.08%
2009	19.4	20.3	104.98%
2010	29.6	19.2	64.84%
2011	27.8	18.6	66.93%
2012	26.3	18.4	69.97%
2013	27.7	Data Not Available	Data Not Available

FIREFIGHTERS' RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll
5/1/2003	306.2	372.0	65.8	82.31%	42.3	155.47%
5/1/2004	318.8	384.2	65.4	82.98%	43.9	148.92%
5/1/2005	332.4	392.9	60.4	84.62%	45.7	132.25%
5/1/2006	381.4	434.0	52.6	87.87%	47.0	111.92%
5/1/2007	412.4	447.9	35.5	92.07%	49.4	71.90%
5/1/2008	447.2	478.7	31.5	93.42%	51.2	61.61%
5/1/2009	348.5	500.2	151.7	69.67%	53.6	282.96%
5/1/2010	435.4	516.6	81.2	84.29%	51.9	156.30%
5/1/2011	432.5	528.5	95.9	81.85%	52.0	184.56%
5/1/2012	420.3	535.2	114.9	78.54%	60.1	191.26%

FIREFIGHTERS' RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS⁽¹⁾

Year Ended April 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2003	8.2	8.2	100%
2004	9.6	8.5	87.8%
2005	9.8	8.7	89.1%
2006	9.8	9.1	92.7%
2007	9.4	9.5	100.5%
2008	8.7	9.9	112.9%
2009	9.5	10.3	108.9%
2010	17.1	10.4	60.97%
2011	12.8	10.2	79.79%
2012	14.0	10.5	74.96%
2013	15.4	Data Not Available	Data Not Available

(1) Actual contributions are shown for plan years ended April 30, 2002 through April 30, 2003 since the effective amortization period is allowable by GASB. The annual required contribution for the plan years ended April 30, 2004 and beyond is based on the actuarially computed contribution.

(a) Funding Program Tables

(b) Employee Contribution Tables: City of Kansas City, Missouri Comprehensive Annual Financial Statement

Sources:

- (a) Retirement Division, Human Resources Department, City of Kansas City, Missouri. Report prepared by Cheiron.
- (b) City of Kansas City Missouri Employees' Retirement System and Firefighters' Pension System Actuarial Valuation as of May 1, 2012.
- (c) The City of Kansas City, Missouri Comprehensive Financial Statements Fiscal Years 2003-2013.

Note: Data for May 1, 2013 percentage contributed year ending 2013 for employer contribution is not yet available as of October 1, 2012.

Police & Civilian Employees' Retirement System

Two contributory defined benefit pension plans (“Plans”) have been established by the Missouri General Assembly for the employees of the Kansas City, Missouri Police Department: the Police Retirement System of Kansas City, Missouri and the Civilian Employees’ Retirement System of the Police Department of Kansas City, Missouri. The participating employees and the City of Kansas City, Missouri make contributions to the Plans. The Board of Trustees contract for annual actuarial valuations to determine the present value of accumulated plan benefits and net assets available for benefits. The contribution rates are calculated to fund normal costs and to amortize the unfunded actuarial accrued liability. The historical trend information for the pension systems is as follows **(in millions of dollars)**:

POLICE RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date⁽¹⁾	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll
4/30/2003	611.2	682.7	71.4	89.5%	62.4	114%
4/30/2004	603.4	712.3	108.9	84.7%	66.2	164%
4/30/2005	604.6	741.0	136.4	81.6%	67.6	202%
4/30/2006	635.6	775.3	139.7	82.0%	71.8	194%
4/30/2007	698.1	807.9	109.8	86.4%	80.1	137%
4/30/2008	742.1	850.8	108.7	87.2%	86.7	125%
4/30/2009	641.2	893.6	252.4	71.8%	89.9	281%
4/30/2010	722.5	915.5	193.0	78.9%	90.5	213%
4/30/2011	715.8	940.6	224.8	76.1%	88.4	254%
4/30/2012	734.4	972.1	237.8	75.5%	87.9	271%

POLICE RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS ⁽¹⁾

Year Ended April 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2003	11.6	12.0	104%
2004	15.1	12.8	85%
2005	15.8	13.3	84%
2006	19.0	13.7	72%
2007	21.4	14.5	68%
2008	22.7	15.7	69%
2009	24.3	16.7	69%
2010	23.6	16.6	70%
2011	34.4	16.5	48%
2012	31.8	16.5	52%
2013	33.8	Data Not Available	Data Not Available

CIVILIAN EMPLOYEES' S RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date⁽¹⁾	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll
4/30/2003	68.2	83.0	14.8	82.1%	21.9	68.0%
4/30/2004	69.9	89.1	19.3	78.4%	22.1	87.0%
4/30/2005	72.4	97.1	24.7	74.5%	22.2	111.0%
4/30/2006	78.8	105.9	27.1	74.4%	23.9	113.0%
4/30/2007	89.1	110.4	21.3	80.7%	25.5	84.0%
4/30/2008	98.0	117.6	19.6	83.3%	27.0	73.0%
4/30/2009	86.3	125.0	38.7	69.1%	27.6	140.0%
4/30/2010	100.5	131.2	30.7	76.6%	26.1	117.0%
4/30/2011	102.5	137.0	34.5	74.8%	25.2	137.0%
4/30/2012	108.0	142.9	34.9	75.6%	25.3	138.0%

CIVILIAN EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended April 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2003	1.8	1.6	89%
2004	2.9	1.6	54%
2005	3.1	1.6	52%
2006	3.5	2.2	62%
2007	3.9	2.7	70%
2008	4.2	3.4	80%
2009	4.3	3.5	80%
2010	4.0	3.3	83%
2011	5.4	3.2	59%
2012	4.9	3.1	64%
2013	5.2	Data Not Available	Data Not Available

(1) Data for May 1, 2013 percentage contributed for year ending 2013 for employer contribution is not yet available as of October 1, 2012.

Sources:

- (a) Police Retirement System of Kansas City, Missouri and Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri and April 30, 2012 Auditors' Report and Financial Statements for the Police and Civilian Employees' Retirement Systems.
- (b) Police Retirement System of Kansas City, Missouri and Civilian Employees' Actuarial Valuation Report as of April 30, 2012.
- (c) Kansas City Police Employees' Retirement Systems Office.

In June 2004, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. Specifically, the City is required to measure and disclose an amount for annual OPEB cost on the accrual basis for health benefits that will be provided to retired employees in future years. The disclosure requirement for the City began with the fiscal year ending April 30, 2008.

The following table displays specific information from the City's three most recent OPEB actuarial reports:

OTHER POST EMPLOYMENT BENEFITS (OPEB) <i>(Amount Expressed in Thousands)</i>						
(a) Actuarial value of assets	(b) Actuarial liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll	
Actuarial valuation date	<i>City of Kansas City - Employee/Firefighter Other Post Employment Benefits</i>					
4/30/2006	\$ -	150,376	150,376	- %	\$ 193,387	77.76 %
4/30/2008	-	208,612	208,612	-	221,036	94.38 %
4/30/2010 ⁽¹⁾	-	76,574	76,574	-	205,882	37.19%
<i>City of Kansas City – Police/Civilian Other Post Employment Benefits</i>						
4/30/2010	-	54,184	54,184	-	116,611	46.47%

(1) The May 1, 2010 actuarial valuation included the following changes in assumptions:

1. Medicare eligibility: In the prior valuations, it was assumed that 25% of firefighter retirees hired before 1987 would not be eligible for Medicare. It was determined that this assumption was not holding true for the current retirees (all were Medicare eligible). For the 2010 valuation, all retirees are assumed to be eligible for Medicare at attainment of age 65.
2. Participation and election assumptions: In the prior valuations, it was assumed that 90% of eligible retirees would elect coverage at retirement and that 100% of those electing would elect 2-person coverage. This was determined to be overly conservative for an access only plan (a plan where the retiree pays the full blended premium), and was not being observed in the actual retiree elections. For the 2010 valuation, 50% participation was assumed with 85% of males participating electing 2-person coverage and 55% of females participating electing 2-person coverage.

The Employee/Firefighter annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years indicated were as follows:

Schedule of Employer Contributions <i>(In thousands)</i>			
Fiscal year ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB (obligation)
4/30/2008	\$ 16,017	13%	\$ (13,916)
4/30/2009	21,988	15 %	(32,504)
4/30/2010	21,336	16%	(50,440)
4/30/2011	7,381	29%	(55,669)
4/30/2012	7,544	32%	(60,820)

The Police/Civilian OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2011 and 2012 were as follows:

Police/Civilian Annual OPEB Cost and Net OPEB Obligation
(In thousands)

<u>Fiscal year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB (Obligation)</u>
4/30/2011	\$ 6,422	8%	\$ (5,901)
4/30/2012	6,590	24%	(10,926)

Note: Under Governmental Accounting Standards Board Statement (GASB) No. 45, the difference between the premium rate charged to retirees and the estimated rate that would be applicable to those retirees if acquired of them as a separate group is an implicit rate subsidy, which is considered an other postemployment benefit (OPEB) under the standard. Prior to May 1, 2011, the Board required the retirees to pay 30% more than premiums charged for active employees. The Kansas City Board of Police Commission committed to eliminating the 30% surcharge effective May 1, 2011.

For additional information regarding the Kansas City, Missouri OPEB, please refer to the City's 2012 Comprehensive Annual Financial Report.

Source: Note Disclosures and Required Supplementary Information Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year ended April 30, 2012.

DEBT INFORMATION

Debt Structure of the City

General Obligation Bonds. The City is authorized to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon a four-sevenths (4/7) majority vote of qualified voters at the general municipal election day, primary or general elections and a two-thirds (2/3) majority vote at all other elections. As of April 30, 2012, the City has exhausted all of its remaining general obligation bond authority.

Neighborhood Improvement District Bonds. The City may also issue certain neighborhood improvement district (“NID”) bonds without a vote and these bonds are payable as to both principal and interest from special assessments against real property benefitted by the acquisition and construction of improvements and, if not so paid, from current income and revenues and surplus funds of the City. The City indebtedness of NID bonds shall be treated equally as general obligation indebtedness, except that the City is not authorized to impose any new or increased ad valorem property tax to pay principal and interest on the NID bonds without voter approval.

As of April 30, 2012 (fiscal year end), the City had an outstanding total aggregate principal amount of \$449,290,000 of general obligation bonds, which includes the outstanding balance of \$355,000 Neighborhood Improvement District Bonds.

Revenue Bonds, Notes and Loans. Other than refunding bonds, the City’s general obligation and revenue bonds require a vote of the electorate. All revenue bonds issued by the City are payable out of the revenues derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not carry the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margin.

As of April 30, 2012, the City had an outstanding total of \$861,469,334 aggregate principal amount of revenue bonds which includes \$271,187,934 in water revenue bonds and lease purchase agreements, \$291,880,700 in sewer revenue bonds, \$195,260,000 in airport revenue bonds and \$98,940,000 in airport passenger facility charge revenue bonds. To match funds from grants for storm water projects, the City entered into loans with the Missouri Department of Natural Resources (“MDNR”). As of April 30, 2012, the City had an outstanding balance of \$4,200,700 aggregate principal amount of MDNR storm water loans.

As of April 30, 2012, the City had remaining voted authority for \$240,416,000 in airport revenue bonds, \$108,365,000 in water revenue bonds, and \$41,915,000 in sewer bonds and \$5,000,000 in museum revenue bonds. On August 7, 2012, the City held an election, at which time the qualified voters of the City approved the issuance of \$500,000,000 of sanitary sewer system revenue bonds for the purpose of extending and improving the wastewater system of the City.

Lease Revenue Bonds and Equipment Leases. The City may enter into financing arrangements for building projects through lease-leaseback purchase agreements with not-for-profit corporations or bond issuing authorities, which may issue tax-exempt bonds without voter approval to finance City projects. The City has financed several projects through the Kansas City Municipal Assistance Corporation (“KCMAC”). The City makes annual lease payments under these lease arrangements in an amount required to pay debt service on the bonds. The City's obligations under these leases are subject to annual appropriation and must be budgeted each year and do not constitute an indebtedness of the City beyond the current lease term. As of April 30, 2012, the City had capital leases pursuant to such arrangements outstanding at total aggregate principal of \$200,036,041.

From time to time, the City enters into lease purchase agreements for real property and equipment, such as the purchase of land, buildings, communications equipment, vehicles, and computer hardware. As of April 30, 2012, the City had an outstanding aggregate principal total of \$32,447,227 of such equipment leases.

Limited Obligation Notes and Bonds. As of April 30, 2012, the City had outstanding a total of \$959,010,247 aggregate principal in limited obligation bonds and notes that do not constitute an indebtedness of the City. The City has agreed, subject to annual appropriation, to pay any debt service on one (1) separate bond series issued by the Planned Industrial Expansion Authority of Kansas City to finance improvements of the 300 Wyandotte Parking Garages. These bonds have an outstanding total aggregate principal balance of \$5,980,000.

As of April 30, 2012, lease revenue bonds issued by the Land Clearance for Redevelopment Authority (“LCRA”) were outstanding at a total of \$18,595,000 principal which is for the Series 2005E Bonds which refinanced the Series 1995A Municipal Auditorium and Muehlebach Hotel Redevelopment Projects and provided new monies for the Auditorium Plaza Garage. The LCRA bonds are secured by an annual appropriation pledge of the City.

The City currently has leasehold revenue bonds under the Industrial Development Authority of Kansas City, Missouri (“IDA”). The total bonds outstanding as of April 30, 2012, are \$336,515,000; this includes the Series 2005A & B and 2006A & B, issued to finance the City’s Downtown Redevelopment District and have outstanding balances of \$175,405,000 and \$110,885,000 respectively, as of April 30, 2012. The Civic Mall Project’s outstanding balance is \$2,885,000 and the Midtown and Uptown Redevelopment Projects have an outstanding balance of \$33,360,000. The Series 2001 Bonds issued to finance the Century Towers Redevelopment Project had an outstanding balance of \$13,980,000. In July 2012, the Series 2001 Bonds were paid off. All of the IDA’s bonds have an annual appropriation pledge of the City.

The Tax Increment Financing Commission of Kansas City, Missouri (“TIFC”) has issued bonds on behalf of the City. As of April 30, 2012, the Blue Parkway Town Center Retail Project has an outstanding balance of \$14,515,000.

As of April 30, 2012, the Special Obligation Bonds and Notes issued by the City have an outstanding balance of \$556,670,630. This includes the \$22,380,000 outstanding balance of the Series 2008A, which is comprised of the following projects: \$4,615,000 for the Refunding KCMAC Hodge Park Series 1998A, \$1,850,000 for the Swope Ridge Geriatric Center, \$1,110,000 for the Second Street Streetscape Project, \$12,610,000 for the Tow Lot Project and \$2,195,000 for the Columbus Park Project. The aforementioned balance also includes the East Village Project, Series 2008B with a balance of \$28,820,000 as of April 30, 2012, the Arena 2008C & D with balances of \$196,630,000 and \$15,460,000 respectively, as of April 30, 2012, the Bartle Hall Bonds, Series 2008E and F with balances of \$81,400,000 and \$20,865,000, respectively, the 909 Walnut Bonds, Series 2009A with a balance of \$6,745,000, the President Hotel Bonds, Series 2009B with a balance of \$16,115,000, Chouteau I-35 Bonds, Series 2009C and D with a balance of \$10,570,000. The Special Obligation 2009E Performing Arts Center bonds have an outstanding balance of \$50,520,630. The outstanding balance for the Special Obligation 2010A Bonds East Village Project is \$5,260,000. The outstanding balances of the Special Obligation 2010B and 2010C bonds, which refunded various bonds and financed the debt service reserve for LCRA 2005, are \$15,935,000 and \$10,705,000, respectively. The outstanding balances of the Special Obligation Bonds, Series 2012A and 2012B have an outstanding balance of \$15,985,000 and 59,280,000, respectively. The Special Obligation Bonds are secured by an annual appropriation pledge of the City.

In relation to the East Village Project, the City refinanced \$4,400,000 of the \$9,838,000 Bank America Note leaving a balance of \$5,438,000 as of April 30, 2012.

The City entered into two (2) notes with the Housing and Urban Development Department for the 18th and Vine District and Beacon Hill housing projects. The balance as of April 30, 2012 is \$9,405,000. In August 2012, one of the notes was paid-off in the amount of \$5,500,000.

In accordance with GASB 53, the City has two (2) “Off-market” swaps, which are considered as implied loans and were included in the City’s Fiscal Year 2012 books. The outstanding balance as of April 30, 2012 of the implied loan is \$3,880,888.

Missouri Transportation Finance Corporation (“MTFC”) Loans. The City entered into a direct loan agreement with MTFC for \$10,000,000. Loan proceeds were used to construct a replacement for the Paseo Bridge. MTFC will disburse the funds to the City in five (5) annual installments. As of April 30, 2012, the outstanding balance is \$8,010,729.

Tax and Revenue Anticipation Notes. At the present time the City has no tax and revenue anticipation notes outstanding and has no plans to issue such notes in the immediate future.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

Debt Service Requirements

The following debt service tables show the principal and interest requirements for each respective fiscal year for City's outstanding debt as of October 1, 2012.

**PRINCIPAL AND INTEREST REQUIREMENTS ON OUTSTANDING OBLIGATIONS
AS OF OCTOBER 1, 2012**

Fiscal Year	Outstanding Long-Term General Obligation Bonds			% of Principal Retired
	Principal	Interest ⁽¹⁾	Total	
2013	14,455,000	17,393,894	31,848,894	
2014	27,320,000	17,812,570	45,132,570	
2015	28,730,000	16,828,170	45,558,170	
2016	30,255,000	15,862,245	46,117,245	
2017	31,635,000	14,835,870	46,470,870	29.47%
2018	24,900,000	13,586,970	38,486,970	
2019	26,515,000	12,545,870	39,060,870	
2020	28,280,000	11,337,070	39,617,070	
2021	29,710,000	10,503,433	40,213,433	
2022	31,180,000	9,619,283	40,799,283	60.76%
2023	32,135,000	8,341,163	40,476,163	
2024	32,095,000	6,737,435	38,832,435	
2025	30,300,000	5,253,855	35,553,855	
2026	31,870,000	3,847,863	35,717,863	
2027	19,765,000	2,354,263	22,119,263	93.29%
2028	13,500,000	1,395,113	14,895,113	
2029	4,730,000	750,413	5,480,413	
2030	4,950,000	535,275	5,485,275	
2031	5,195,000	295,975	5,490,975	
2032	1,770,000	61,950	1,831,950	100.00%
	<u>449,290,000</u>	<u>\$ 169,898,677</u>	<u>\$ 619,188,677</u>	100.00%

(1) Interest payments are shown on a gross basis; no deduction has been made for expected federal interest subsidy payments for Series 2010B Build America Bonds.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt PFC and Airport Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2013	20,245,000	14,044,864	34,289,864	
2014	25,270,000	12,949,358	38,219,358	
2015	26,455,000	11,715,435	38,170,435	
2016	27,410,000	10,395,831	37,805,831	
2017	28,710,000	8,983,455	37,693,455	43.54%
2018	30,095,000	7,506,955	37,601,955	
2019	24,545,000	6,182,153	30,727,153	
2020	16,215,000	5,219,858	21,434,858	
2021	17,025,000	4,407,041	21,432,041	
2022	12,135,000	3,700,643	15,835,643	77.53%
2023	12,740,000	3,107,538	15,847,538	
2024	13,380,000	2,482,508	15,862,508	
2025	14,045,000	1,823,625	15,868,625	
2026	14,755,000	1,130,630	15,885,630	
2027	5,455,000	401,256	5,856,256	98.06%
2028	5,720,000	135,850	5,855,850	
	<u>\$ 294,200,000</u>	<u>\$ 94,186,998</u>	<u>\$ 388,386,998</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt			% of Principal Retired
	Water Revenue Bonds and Lease Purchase Agreements			
	Principal	Interest	Total	
2013	18,100,341	11,293,314	29,393,656	
2014	18,236,293	11,120,053	29,356,346	
2015	19,052,596	10,397,146	29,449,741	
2016	17,009,461	9,664,146	26,673,607	
2017	17,707,109	8,931,552	26,638,661	33.23%
2018	17,158,960	8,176,089	25,335,049	
2019	16,401,357	7,436,591	23,837,947	
2020	15,521,818	6,718,593	22,240,410	
2021	14,085,000	6,114,432	20,199,432	
2022	12,805,000	5,455,454	18,260,454	61.24%
2023	13,290,000	4,945,607	18,235,607	
2024	12,635,000	4,332,433	16,967,433	
2025	11,065,000	3,722,674	14,787,674	
2026	7,685,000	3,204,172	10,889,172	
2027	8,035,000	2,845,932	10,880,932	80.68%
2028	8,500,000	2,471,365	10,971,365	
2029	5,985,000	2,082,113	8,067,113	
2030	6,265,000	1,803,038	8,068,038	
2031	6,575,000	1,490,475	8,065,475	
2032	6,905,000	1,162,350	8,067,350	93.30%
2033	7,215,000	853,388	8,068,388	
2034	2,560,000	492,975	3,052,975	
2035	2,675,000	377,775	3,052,775	
2036	2,795,000	257,400	3,052,400	
2037	2,925,000	131,625	3,056,625	100.00%
	<u>\$ 271,187,934</u>	<u>\$ 115,480,690</u>	<u>\$ 386,668,624</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Sanitary Sewer Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2013	16,045,000	13,424,031	29,469,031	
2014	16,570,500	12,716,025	29,286,525	
2015	17,041,200	11,952,381	28,993,581	
2016	16,152,300	11,151,776	27,304,076	
2017	14,713,800	10,401,270	25,115,070	27.59%
2018	13,825,700	9,737,264	23,562,964	
2019	14,333,000	9,139,733	23,472,733	
2020	14,140,600	8,499,760	22,640,360	
2021	14,233,600	7,842,998	22,076,598	
2022	13,242,100	7,222,261	20,464,361	51.49%
2023	12,951,000	6,621,068	19,572,068	
2024	11,685,300	6,130,149	17,815,449	
2025	10,750,000	5,592,103	16,342,103	
2026	9,375,100	5,084,808	14,459,908	
2027	9,800,800	4,643,587	14,444,387	70.19%
2028	10,251,800	4,192,205	14,444,005	
2029	10,728,400	3,719,378	14,447,778	
2030	10,950,500	3,270,786	14,221,286	
2031	10,445,000	2,764,219	13,209,219	
2032	10,965,000	2,247,956	13,212,956	88.46%
2033	8,780,000	1,705,913	10,485,913	
2034	9,230,000	1,256,238	10,486,238	
2035	4,970,000	783,500	5,753,500	
2036	5,220,000	535,000	5,755,000	
2037	5,480,000	274,000	5,754,000	100.00%
	<u>\$ 291,880,700</u>	<u>\$ 150,908,407</u>	<u>\$ 442,789,107</u>	100.00%

(1) The City participated in the State of Missouri Direct Loan Program and purchased its \$16,000,000 Sewage System State Revolving Fund (“SRF”) Bonds in 2009. The outstanding principal is based on the City’s total reimbursement draws. The numbers above assume the City will draw all of the \$16 million. The interest column includes the Department of Natural Resources administrative fee on the loan. Previously issued SRF Bonds reflect gross interest costs.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Storm Water Loan			% of Principal Retired
	Principal	Interest	Total	
2013	462,500	66,269	528,769	
2014	383,200	59,608	442,808	
2015	390,300	53,440	443,740	
2016	396,500	47,166	443,666	
2017	403,600	40,784	444,384	48.47%
2018	409,800	34,297	444,097	
2019	416,000	27,710	443,710	
2020	423,200	21,015	444,215	
2021	428,600	14,212	442,812	
2022	348,000	7,316	355,316	96.69%
2023	22,000	1,792	23,792	
2024	23,000	1,477	24,477	
2025	23,000	1,155	24,155	
2026	23,000	833	23,833	
2027	24,000	504	24,504	99.43%
2028	24,000	168	24,168	
	<u>\$ 4,200,700</u>	<u>\$ 377,746</u>	<u>\$ 4,578,446</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt MTFC Loan			% of Principal Retired
	Principal	Interest	Total	
2013	1,203,247	336,451	1,539,698	
2014	1,253,783	285,914	1,539,698	
2015	1,306,442	233,255	1,539,698	
2016	1,361,313	178,385	1,539,698	
2017	1,418,488	121,210	1,539,698	81.68%
2018	1,467,455	61,633	1,529,089	
	<u>\$ 8,010,729</u>	<u>\$ 1,216,848</u>	<u>\$ 9,227,577</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt			% of Principal Retired
	Principal	KCMAC Leasehold Revenue Interest	Bonds Total	
2013	11,800,000	6,379,701	18,179,701	
2014	12,635,000	5,840,739	18,475,739	
2015	13,490,000	5,259,514	18,749,514	
2016	16,260,000	4,634,826	20,894,826	
2017	13,575,000	3,870,651	17,445,651	33.87%
2018	13,780,000	3,217,533	16,997,533	
2019	18,665,000	2,554,033	21,219,033	
2020	19,555,000	1,644,738	21,199,738	
2021	11,038,183	9,079,761	20,117,944	
2022	11,043,451	9,718,137	20,761,588	70.91%
2023	10,749,498	10,390,259	21,139,756	
2024	7,209,817	9,643,627	16,853,444	
2025	1,080,000	95,119	1,175,119	
2026	7,708,309	13,305,910	21,014,219	
2027	6,421,104	14,218,896	20,640,000	87.49%
2028	6,326,780	15,143,220	21,470,000	
2029	6,233,252	16,101,748	22,335,000	
2030	6,105,467	17,114,533	23,220,000	
2031	6,010,211	18,139,790	24,150,000	
2032	349,971	1,140,029	1,490,000	100.00%
	<u>\$ 200,036,041</u>	<u>\$ 167,492,762</u>	<u>\$ 367,528,803</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Lease Purchase Agreements			% of Principal Retired
	Principal	Interest	Total	
2013	10,276,979	934,128	11,211,106	
2014	7,922,817	587,200	8,510,017	
2015	5,921,323	355,404	6,276,727	
2016	3,350,897	197,338	3,548,236	
2017	2,674,843	102,426	2,777,269	92.91%
2018	1,481,532	42,873	1,524,405	
2019	818,836	10,394	829,230	
	<u>\$ 32,447,227</u>	<u>\$ 2,229,763</u>	<u>\$ 34,676,990</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Outstanding Long-Term Debt
Limited Obligations Notes and Bonds

Year	Principal ⁽¹⁾	Interest ⁽¹⁾⁽²⁾	Fiscal Total	% of Principal Retired
2013	28,954,222	42,640,448	71,594,670	
2014	26,537,138	41,415,614	67,952,752	
2015	30,535,416	40,342,615	70,878,032	
2016	29,852,903	39,070,445	68,923,348	
2017	32,121,700	37,804,803	69,926,503	15.89%
2018	38,864,966	39,610,137	78,475,103	
2019	45,533,857	38,467,680	84,001,536	
2020	36,658,601	37,096,927	73,755,529	
2021	39,483,703	35,907,494	75,391,198	
2022	36,331,352	34,549,864	70,881,217	37.02%
2023	34,844,931	33,672,627	68,517,558	
2024	37,694,290	32,404,321	70,098,611	
2025	54,657,117	30,972,002	85,629,119	
2026	37,425,592	28,639,109	66,064,701	
2027	39,569,305	27,087,904	66,657,210	58.94%
2028	43,108,025	25,424,356	68,532,381	
2029	40,646,722	27,581,789	68,228,511	
2030	39,190,976	14,753,584	53,944,560	
2031	42,135,288	12,700,730	54,836,018	
2032	51,274,074	10,732,859	62,006,933	82.17%
2033	47,207,922	8,313,569	55,521,491	
2034	39,941,415	6,173,875	46,115,291	
2035	11,300,000	4,252,273	15,552,273	
2036	12,045,000	3,649,479	15,694,479	
2037	12,830,000	3,006,746	15,836,746	95.41%
2038	13,515,000	2,321,753	15,836,753	
2039	14,240,000	1,599,489	15,839,489	
2040	15,020,000	821,445	15,841,445	
	<u>\$ 931,519,518</u>	<u>\$ 661,013,937</u>	<u>\$ 1,592,533,454</u>	100.00%

(1) The following principal and interest payments were not included in fiscal year 2013:

- a. \$5,500,000 and \$156,700 of principal and interest payments. The funds came from the Community Development Block Grant to pay the HUD Note Beacon Hill Project.
- b. \$13,980,000 and \$233,281 of principal and interest payments. The funds came from the developer private financing and the remaining funds from various trustee accounts.

(2) The "Interest Column" includes six (6) variable rate demand (VRDO) tax-exempt and taxable bonds. Future interest rates on these bonds were based on an all-in estimated interest rate of 4.5% to 5.15% and 4.75% to 4.98% for tax-exempt and taxable VRDO bonds, respectively. The rates include LOC, remarketing, surveillance and other fees. Rate assumptions are for illustration purposes and actual rates will vary.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Authority

The following table summarizes the City's total bond authority as of October 1, 2012.

AUTHORIZED UNISSUED DEBT
(Amounts Expressed in Thousands)

Type/Purpose	Date	Amount	Amount Issued	Total Unissued
<u>Revenue Bonds:</u>				
Kansas City Museum	Mar. 8, 1988	5,000	0	5,000
Airport	Aug. 8, 2000	395,000	154,584	240,416
Water System	Aug. 2, 2005	250,000	141,635	108,365
Sewer	Aug. 2, 2005	250,000	208,085	41,915
Sewer	Aug. 7, 2012	500,000	0	500,000
TOTAL		\$1,400,000	\$504,304	\$895,696

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

History of Indebtedness

The following tables set forth the general bonded debt information pertaining to the City as of the end of the last ten fiscal years.

RATIOS OF BONDED DEBT OUTSTANDING (Amounts Expressed In Thousands)

Fiscal Year	General Obligation Bonds	Other Bonds and Leases ⁽¹⁾	Total	Percentage of Actual Taxable Value of Property	Per Capita
2003	153,990	481,388	635,378	2.97%	1,421
2004	161,955	498,020	659,975	2.89%	1,470
2005	242,020	1,048,257	1,290,277	5.40%	2,863
2006	228,130	1,110,637	1,338,767	5.04%	2,959
2007	289,725	1,235,918	1,525,643	5.59%	3,358
2008	311,325	1,248,317	1,559,642	5.23%	3,419
2009	294,100	1,210,235	1,504,335	4.96%	3,285
2010	309,785	1,253,247	1,563,032	5.39%	3,399
2011	342,240	1,195,101	1,537,341	5.28%	3,319
2012	442,290	1,191,494	1,640,784	5.69%	3,523

(1) Includes KCMAC leasehold revenue bonds, lease purchase agreements and other limited obligations. It also includes actual outstanding balances of bonds that were considered as "contingent liabilities" in the City of Kansas City, Missouri's CAFR from Fiscal Year 2002 to 2009. It does include the Special Facility Airport Revenue Bonds, Series 2005G. The series 2005G was classified under business type activities in the CAFR. It does not include the DNR Loan for the Water Services Department.

(2) Prior year actual valuations of real property have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Due to footnote (1), the numbers on this table do not match the numbers on Table 12 of the statistical section of the 2012 Comprehensive Annual Financial Report from Fiscal Year 2003-2009.

Note: The Debt per Capita may change from time to time due to periodic review of the population estimates by the U.S. Census Bureau.

Source: Treasury Division, Finance Department.

Direct and Overlapping Indebtedness

Other governmental entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. The following statements of direct and estimated overlapping ad valorem and other net direct debt were compiled from a survey of the various taxing districts.

City of Kansas City, Missouri Direct and Overlapping Governmental Activities Debt April 30, 2012

	General Obligation and Other Net Direct Debt (3)	Percentage Applicable to this Municipality (1)	Municipality's Share of Debt
Direct debt			
City of Kansas City	\$ 1,640,783,515 (2)	100%	1,640,783,500
Overlapping debt			
Clay County	10,106,796	47.6%	4,810,800
Jackson County	570,178,282	45.3%	258,290,800
Platte County	55,891,468	54.7%	30,572,600
Cass County	-	100.0%	-
Metropolitan Junior College District	85,636,000	54.3%	46,500,300
Platte County School Districts			
Park Hill Reorganized No. 5	67,611,993	43.0%	29,073,200
Platte County Reorganized No. 3	66,684,803	40.0%	26,673,900
Clay County School Districts			
Smithville No. 27	28,640,000	3.4%	973,800
North Kansas City No. 74	215,930,000	81.8%	176,630,700
Liberty No. 53	126,505,291	10.0%	12,650,500
Jackson County School Districts			
Kansas City No. 33	47,459,000	93.0%	44,136,900
Raytown No. 2	74,550,000	45.0%	33,547,500
Independence No. 30	185,455,000	2.2%	4,080,000
Lee's Summit Reorganized No. 7	185,349,501	1.0%	1,853,500
Center No. 58	37,919,973	100.0%	37,920,000
Hickman Mills Consolidated No. 1	38,575,000	87.3%	33,676,000
Grandview Consolidated No. 4	33,675,000	53.0%	17,847,800
Total overlapping debt	<u>\$ 1,830,168,107</u>		<u>759,238,300</u>
Total direct and overlapping debt			<u>\$ 2,400,021,800</u>

- (1) The percentage is derived by dividing the total assessed valuation of the taxing jurisdiction within Kansas City by the total assessed valuation of the taxing jurisdiction.
- (2) This amount includes \$449,290,000 of general obligation bonds payable and \$1,191,493,515 of leasehold revenue bonds, lease purchase agreements, and limited obligation notes and bonds.
- (3) All debt figures are reported in gross debt outstanding.

**City of Kansas City, Missouri
Legal Debt Margin Information
Last Ten Fiscal Years
(Restated)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed valuation for City, county, and state purposes (5)	\$ 5,314,575,000	\$ 5,531,960,000	\$ 5,812,776,000	\$ 6,336,284,000	\$ 6,490,128,000	\$ 7,091,150,000	\$ 7,178,927,000	\$ 6,880,215,000	\$ 6,876,960,000	\$ 6,814,623,000
Constitutional debt limit (1) (2)	1,062,915,000	1,106,392,000	1,162,555,200	1,267,256,800	1,298,025,600	1,418,230,000	1,435,785,400	1,376,043,000	1,375,392,000	1,362,924,600
General obligation bonds payable (3)	154,335,000	161,955,000	242,020,000	228,130,000	289,725,000	311,325,000	294,100,000	309,785,000	342,240,000	449,290,000
Less debt service fund balances available for retirement of bonds	13,057,000	10,197,000	11,534,339	10,939,752	15,899,741	13,886,969	4,853,175	2,305,177	2,850,169	2,440,753 ⁽⁴⁾
Total amount of bonds payable applicable to debt limit	141,278,000	151,758,000	230,485,661	217,190,248	273,825,259	297,438,031	289,246,825	307,479,823	339,389,831	446,849,247
Legal debt margin	921,637,000	954,634,000	932,069,539	1,050,066,552	1,024,200,341	1,120,791,969	1,146,538,575	1,068,563,177	1,036,002,169	916,075,353

- (1) Section 26(b) and (c) of the state constitution permits the City, by a vote of the qualified electors, to incur an indebtedness for City purposes not to exceed 10% of assessed valuation.
- (2) Section 26(d) and (e) of the state constitution provides that any City may become indebted not exceeding in the aggregate an additional 10% for the purposes of acquiring the right-of-way constructing, extending, and improving streets, sanitary or stormsewer systems, purchasing or constructing waterworks, electric, or light plants, provided the total general obligation indebtedness does not exceed 20% of assessed valuation.
- (3) The total additional general obligation bonds for Fiscal Year 2012 includes \$40,550,000 general obligation bonds for streetlight projects, \$408,385,000 for capital projects, and \$355,000 general obligation bonds for neighborhood improvement district projects.
- (4) 2012 Fund balance of general debt and interest, special assessment sewer and neighborhood improvement district funds
- (5) The prior year aggregated assessed valuations have been restated to reduce the values by the incremental increase over initial value of property for tax increment financing (TIF) arrangements.

Source: Statistical Section of the Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year 2012.